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# Memorandum

City Council Liaison's Office


**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Leslye Corsiglia  
Stephen M. Haase

**SUBJECT:** MARKET RATE HOUSING  
CITYWIDE FOLLOW UP

**DATE:** August 17, 2004

Approved



Date

8.19.04

## INFORMATION

On June 28, 2004, staff presented a briefing on housing production efforts in San Jose to the Driving a Strong Economy (DSE) Committee. The committee requested follow-up information regarding housing production in San Jose compared to other cities in the Bay Area. The information below is derived from the "*Bay Area Housing Profile: A Report Card on the Supply and Demand Crisis*" produced by the Bay Area Council which describes housing as the lynchpin of sustainable development and smart growth.

In December 2003, the Bay Area Council released the "*Bay Area Housing Profile: A Report Card on the Supply and Demand Crisis*," which finds that the 101 cities and nine counties in the Bay Area are not permitting enough housing to keep up with the growth in new jobs. The profile also found a majority of cities and counties did not build enough housing to keep pace with their natural population increase. The report is available at:  
[http://www.bayareacouncil.org/pubs/pbr/pbr\\_mid.html](http://www.bayareacouncil.org/pubs/pbr/pbr_mid.html)

The purpose of the *Bay Area Housing Profile* is to encourage local governments to plan for and accommodate a sufficient housing supply to meet projected population increases and job generation. A "report card" is included with grades from "A through F" on the housing production performance of each jurisdiction. The "report card" attempts to analyze the housing produced in each jurisdiction in comparison with the housing needed. The housing performance of each jurisdiction in the past decade is also measured against their assigned and logical "Fair Share" responsibilities.

The Bay Area received an overall "B" grade (81%) for the housing it produced compared to the "Fair Share" housing goals allocated from the Regional Housing Needs Determination (RHND). Santa Clara County and its cities received an overall "C+" (79%). For the region as a whole, 83% of the RHND "Fair Share" allocation was met during the 1999-2000 period. However, given the housing shortage carried over from the prior decade, the housing deficit continues to grow. Forty-two percent of jurisdictions in the Bay Area received an "F" (<60%) in meeting their RHND "Fair Share" housing obligation between 1999-2002. The region under produced 20,866 housing units based on RHND "Fair Share" goals between 1999-2000.

When Bay Area housing production is compared to the RHND "Fair Share" obligation in each jurisdiction, San Jose received an "A+" (101%) grade by producing 14,017 housing units compared to a "Fair Share" obligation of 13,919 housing units. San Jose's 14,017 housing units represent approximately 14% of the housing production in the 101 cities within the nine-county Bay Area. Although the "*Bay Area Housing Profile: A Report Card on the Supply and Demand Crisis*," presents a dire forecast for housing, San Jose is rated as "A+" in housing production compared to its 1999-2000 RHND "Fair Share" housing goals. Attached is a summary table from the report that graded the cities and counties.



LESLYE CORSIGLIA, Director  
Housing Department



for STEPHEN M. HAASE, AICP, Director  
Planning, Building and Code Enforcement

Attachment

### Santa Clara County Housing Production Compared to RHND "Fair Share" Obligation

City	CIRB Housing Units (1999- 2002)	% of Total County Production	% of Total Region Production	1999-2002 ABAG Projected Need Prodn to Date	Surplus / (Deficit)	% Projected Need Produced	Score
Campbell	233	0.95%	0.23%	414	(181)	56%	F
Cupertino	763	3.11%	0.75%	1,450	(687)	53%	F
Gilroy	1,498	6.10%	1.47%	1,997	(499)	75%	C
Los Altos	242	0.99%	0.24%	139	103	174%	A+
Los Altos Hills	127	0.52%	0.12%	44	83	289%	A+
Los Gatos	243	0.99%	0.24%	214	29	114%	A+
Milpitas	866	3.53%	0.85%	2,317	(1,451)	37%	F
Monte Sereno	45	0.18%	0.04%	41	4	110%	A+
Morgan Hill	860	3.50%	0.84%	1,324	(464)	65%	D
Mountain View	806	3.28%	0.79%	1,824	(1,018)	44%	F
Palo Alto	1,141	4.65%	1.12%	745	396	153%	A+
San Jose	14,017	57.07%	13.73%	13,919	98	101%	A+
Santa Clara	1,769	7.20%	1.73%	3,379	(1,610)	52%	F
Saratoga	300	1.22%	0.29%	287	13	105%	A+
Sunnyvale	856	3.49%	0.84%	2,045	(1,189)	42%	F
Unincorporated	793	3.23%	0.78%	770	23	103%	A+
<b>Santa Clara County Total</b>	<b>24,559</b>	<b>100.00%</b>	<b>24.06%</b>	<b>30,909</b>	<b>(6,350)</b>	<b>79%</b>	<b>C+</b>

### Bay Area Counties Housing Production Compared to RHND "Fair Share" Obligation

County	CIRB Housing Units (1999- 2002)	% of Total Region Production	1999-2002 ABAG Projected Need Prodn to Date	Surplus / (Deficit)	% Projected Need Produced	Score
Alameda	15,097	14.78%	24,941	(9,844)	61%	D-
Contra Costa	21,352	20.91%	18,500	2,852	115%	A+
Marin	2,179	2.13%	3,472	(1,293)	63%	D
Napa	3,329	3.26%	3,765	(436)	88%	B+
San Francisco	7,526	7.37%	10,858	(3,332)	69%	D+
San Mateo	5,953	5.83%	8,691	(2,738)	68%	D+
<b>Santa Clara</b>	<b>24,559</b>	<b>24.05%</b>	<b>30,909</b>	<b>(6,350)</b>	<b>79%</b>	<b>C+</b>
Solano	9,319	9.13%	9,957	(638)	94%	A-
Sonoma	10,007	9.80%	11,893	(1,886)	84%	B
Other	2,799					
<b>Bay Area Total</b>	<b>102,120</b>	<b>100.00%</b>	<b>122,986</b>	<b>(23,665)</b>	<b>83%</b>	<b>B</b>